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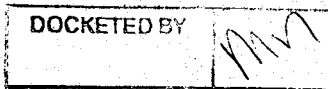
Arizona Corporation Commission

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2010 MAY 20 P 4: 08

Arizona Corporation Commission  
Commissioners Wing  
1200 West Washington  
Phoenix, AZ 85007-2996

MAY 20 2010

AZ CORP COMMISSION  
DOCKET CONTROL**Attention:**

Chairperson Kristin Mayes;  
Commissioner's, Gary Pierce, Paul Newman, Sandra Kennedy, Bob Stump

**Subject: Water Rate Consolidation by Arizona American Water Company in Arizona**

Ladies and Gentleman;

The decisions you made, directing Arizona American Water to evaluate implementing uniform rates throughout Arizona American's various water districts, was indeed the right thing to require. We believe it's in the best interest of their water districts, in spite of some customer's opposition to this idea.

We know Sun City customers, for example, have very strong dissenting opinions about a leveling rate structure. Having attended an ACC hearing last year, when this subject was discussed, representatives from Sun City had some strong opinions about this. One thing learned from that hearing however, is the Sun City water district's infrastructure (pipes and sewer system, etc.) is in desperate need of repairs. Repairs relate to high capital costs, which would be even more costly to Sun City customers if they were successful in persuading the Commission not to implement uniform rates across Arizona American water districts. We trust you are not persuaded.

Larry knows first hand how old much of the Sun City developments are. With a relative living in an older part of Sun City, repairs may indeed be needed there. Also, growing up on the west side of Phoenix in the late 40's early 50's, watching all of the West Valley grow, including Sun City, the infrastructure there now, if not already replaced, surely must be deteriorating and may need replacing. There is some measure of proof in this...When we visit the Valley these days, we often see and need to detour around what we euphemistically call..."old Summer Pipes" being replaced with "new Winter Pipes" on the streets everywhere!. The Valley's infrastructure is aging for sure.

If Sun City's water system's need up-grading, customers there should be helped to understand not to be too alarmed at leveling of their water utility rates. Doing so will benefit them more than most of the other water districts. If indeed major repairs are needed in there community, without uniform water rates, they will be more impacted by having to pay even more for most of their local repairs. However, by spreading the "burden" across the other districts, with more uniformly balances rates, that will help lower the water bills for them all rate payers across each of Arizona American Water districts.

We strongly urge the Commission to make the right choice. Approve the more equitable use of uniform (leveling) rates for Arizona American water districts.

Sincerely,

*Larry D. McCarty*  
Larry D. McCarty

*Jean E. McCarty*  
Jean E. McCarty

cc: President, Santa Cruz Valley Citizens Council